



State of Wisconsin • DEPARTMENT OF REVENUE

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Testimony in Support of Assembly Bill 542, relating to: the definition of municipality for purposes of tax refund setoffs.

Assembly Bill 542 is a purely technical bill that resulted from ongoing discussions between the Department of Revenue (DOR) and the Legislative Reference Bureau. The bill provides necessary specificity to the definition of "municipality" for refund offset purposes.

The Tax Refund Interception Program (TRIP) allows state, local, and federal government, in addition to participating Native American tribes, to certify public debt to DOR. Examples of public debt include delinquent taxes, unpaid municipal citations, and delinquent child support. DOR then intercepts the tax refunds of those with a certified debt and applies those funds instead to the individual's delinquent account.

2011 Act 32, the biennial budget, included a provision to allow for consolidated services (e.g., a joint fire department, joint police department, or emergency services) provided by multiple governments to also participate in TRIP.

DOR recommends the technical language in Assembly Bill 542 to ensure that consolidated services provided by multiple governments are able to participate in TRIP in a manner consistent with the budget's intent and other units of government's ability to participate in this program.